



Mainstream Group Holdings Limited  
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29 August, 2019

Dear Shareholder,

### **Notice of Meeting 2019**

On behalf of the Board of Directors I invite you to the 2019 Annual General Meeting (AGM) for Mainstream Group Holdings Limited (ASX: MAI). The AGM will be held at **9:00 am on Monday, 30 September 2019 at Karstens Conference Centre on Level 1, 111 Harrington Street, Sydney.**

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

Enclosed are the following:-

1. Our 2019 Annual Report (if you elected to receive a printed copy. Please note from next year onwards, the Company will no longer send out a printed copy of the Annual Report unless you indicate your preference to receive one, either online or by completing the enclosed form). The electronic copy is available on Mainstream's Shareholder Centre at [www.mainstreamgroup.com/shareholder-centre](http://www.mainstreamgroup.com/shareholder-centre)
2. Notice of the AGM; and
3. Proxy form.

I recommend that you read these documents carefully. If you are unable to attend the meeting, we invite you to appoint a proxy to attend and vote on your behalf using the enclosed Proxy Form or by voting online: [www.mainstreamgroup.com/ListedRegistryPortal](http://www.mainstreamgroup.com/ListedRegistryPortal).

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

I look forward to welcoming you at the AGM.

### **Payment of dividends by cheque**

Mainstream will be paying a final dividend for the year ended 30 June 2019 of A\$0.005 cents per share on 20 September 2019.

The Company advises that all dividends subsequent to this current dividend will be paid to shareholders by direct credit to a nominated Australian bank of financial institution account, or participation in the Dividend Reinvestment Plan (DRP). This means that for all future dividends, **Mainstream will no longer pay dividends by cheque.**

Direct crediting or reinvestment are much more secure and convenient ways to receive dividends. They remove the risk of loss, fraud or theft of dividend cheques and are less expensive for the Company which benefits all shareholders.

If you have not yet provided reinvestment or Bank Account Instructions, you can either:

- 1) Register for access to our secure shareholder portal and update your preferred payment method online: [www.mainstreamgroup.com/ListedRegistryPortal](http://www.mainstreamgroup.com/ListedRegistryPortal)

As part of the registration process you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), as found on your holding statement, and postcode (of your current registered address) or country (if your registered address is outside of Australia).

OR

- 2) Download a Dividend Reinvestment Plan (DRP) form or Direct Credit Payments form from Mainstream's Shareholder Centre at [www.mainstreamgroup.com/shareholder-centre](http://www.mainstreamgroup.com/shareholder-centre).

Shareholders who do not nominate a payment method by the record date for the next dividend, will have their dividend held in a non-interest bearing account until payment details have been received.

#### **Need more help?**

If you have any questions about your Mainstream shareholding please contact Mainstream Fund Services on 1300 658 680 (within Australia), +61 2 8259 8885 (outside Australia) or email [mai@mainstreamgroup.com](mailto:mai@mainstreamgroup.com).

Yours faithfully,



Byram Johnston OAM  
Non-Executive Chairman

## HOW TO VOTE

### Entitlement to attend and vote at the Meeting

All shareholders may attend the Annual General Meeting. The Board has determined that for the purposes of voting at the meeting, shareholders will be taken to be those persons recorded on the Company's register of members as at 7pm on Saturday, 28 September 2019 (Sydney time).

### How to vote on the Items of Business

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

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

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

### Voting in Person

To vote in person, attend the Meeting at the time, date and place set out above. You will be given a coloured card which will allow you to speak at the meeting and to vote on each of the resolutions.

### Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- › each Shareholder has a right to appoint a proxy;
- › the proxy need not be a Shareholder of the Company; and
- › a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- › if proxy holders vote, they must cast all directed proxies as directed; and
- › any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### Questions

We welcome shareholders' questions. If you have any questions for the Company, please send an email to [mai@mainstreamgroup.com](mailto:mai@mainstreamgroup.com) or write them on a separate piece of paper and return with your Proxy Form by the due date. We also welcome your questions at the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Mainstream Group Holdings Limited ACN 112 252 114 (the Company) will be held at 9am (Sydney time) on Monday, 30 September 2019 in Karstens Conference Centre on Level 1, 111 Harrington Street, Sydney.

## ITEMS OF BUSINESS

### Item 1. Annual Report

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**To receive and consider the Annual Financial Report of the Company and its controlled entities for the year ended 30 June 2019 which includes the Financial Report, the Directors' and Auditor's Reports.** Note: No resolution is required for this Item but shareholders will be given the opportunity to ask questions and to make comments on all aspects of these reports.

### Item 2. Remuneration Report

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

*“That for the purposes of section 250R(2) of the Corporations Act (Cth) 2001 and for all other purposes, the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2019 be adopted.”*

### Item 3. Re-election of Directors

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

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

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

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

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

*“That Ms Debbie Last, who retires in accordance with clause 6.2 (b) of the Company’s Constitution having been appointed since the last Annual General Meeting, and being eligible, is elected as a Director.”*

#### **Item 4. Allocation of Rights to Martin Smith under the Employee Share Plan**

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

*“That for the purpose of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 500,000 Performance Rights to Mr Martin Smith, under the Company’s Long Term Incentive (LTI) offer, on the terms and conditions set out in the Explanatory Statement.”*

## **VOTING EXCLUSION STATEMENT**

#### **Item 2: Remuneration Report**

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

However, a person described above may cast a vote in this Resolution if appointed as a proxy if the vote is not cast on behalf of a person described above and either:-

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

#### **Item 4: Allocation of Rights to Martin Smith under the Employee Share Plan**

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The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Martin Smith or Mr Byram Johnston, being the only directors eligible to participate in the Employee Share Plan, or any of their associates.

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

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They have been prepared for Shareholders to provide information about the items of business to be considered at Mainstream Group Holdings' (the Company's) Annual General Meeting on 30 September 2019. They should be read carefully.

### Item 1: Financial Report

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The Financial Statements, Director's Report and Auditor's Report for the year ended 30 June 2019 will be tabled before the meeting. However, neither the Corporations Act 2001 (Cth) 2001 ('Corporations Act') nor the Company's Constitution require Shareholders to vote on the financial statements or the accompanying reports. However, Shareholders will be given the opportunity to raise questions or comments on the Financial Statements at the AGM. In addition, Shareholders will be given the opportunity to ask the Company's Auditor, Ernst & Young, questions relevant to the conduct of the audit, the independence of the Auditor, the Company's accounting policies and the preparation and content of the Auditor's Report.

### Item 2: Adoption of Remuneration Report

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The Remuneration Report of the Company for the financial year ended 30 June 2019 is contained in the 2019 Annual Report. The Remuneration Report is required to be considered by Members of the Company in accordance with section 250R of the *Corporations Act*. The Remuneration Report details the Company's policy on remuneration of non-executive directors, executive directors and key executives.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is advisory only and is not binding. However, the Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies and practices.

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

#### **Voting Consequences:**

Under the Corporations Act, companies are required to put to shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company ("Spill Resolution") if, at consecutive Annual General Meetings, at least 25% of the votes cast on the Remuneration Report are voted against the adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes are cast in favour of a Spill Resolution, the Company must convene a shareholder meeting ("Spill Meeting") within 90 days of the second Annual General Meeting. At that meeting, all directors who were in office at the time of the Directors' Report, other than the managing director, will cease to hold office immediately before the Spill Meeting. Those persons who are elected or re-elected at the Spill Meeting will be the directors of the company. Note those directors who ceased to hold office immediately prior to the Spill Meeting may stand for re-election.

#### **Previous voting results:**

At the Company's previous Annual General Meeting there were no votes cast against the remuneration report considered at that annual general meeting (less than 25%). Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### **Item 3: Re-election of Directors**

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

In accordance with clauses 6.2(b) and 6.7 of the Company's Constitution, Mr Byram Johnston, Mr John Plummer and Ms Last will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election. The skills and experience of each Director are set out below.

**Byram Johnston**, Non-Executive Chairman, is a founder and Director of Mainstream Group. Prior to establishing Mainstream Group, Byram was the managing partner for international consulting firms and outsourcing organisations including Arthur Andersen, Andersen Consulting, AT Kearney, PA Consulting, The IQ Business Group and FinancialBPO. He has a wealth of experience in business strategy, operating models and business process solutions. This has allowed him in more recent

times to focus on the design, implementation and management of business process outsource solutions.

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

Byram is a member of the Audit and Risk Committee, the Remuneration and Human Resources Committee and the Acquisitions Committee.

**John Plummer**, Non-Executive Director, joined the Mainstream Group Board on 1 July 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 following the acquisition of the company by overseas interests. He has previously served on the boards of listed investment companies and Industry Super Funds. He sits on the boards of several private companies in recruitment, technology and investment markets. John is a past National President and life member of the Recruitment and Consulting Services Association and a Fellow of the Governance Institute of Australia.

He holds a Bachelor of Commerce (Marketing) from the University of New South Wales and a Masters of Business Administration from Macquarie University.

John is the Chair of the Remuneration and Human Resources Committee and member of the Audit and Risk Committee.

**Debbie Last**, Non-Executive Director, joined the Mainstream Board on 1 July 2019.

Debbie has over 25 years of experience in the financial services sector, having held senior executive positions including CFO of NAB Asset Management and director of a number of NAB related entities as well as Partner of PwC Sydney and KPMG London.

Debbie holds a Bachelor of Commerce from the University of Melbourne and is a Chartered Accountant.

Debbie has been appointed as Chair of the Group's Audit and Risk Committee.

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

**The Board (other than Mr Johnston, Mr Plummer and Ms Last, who make no recommendation) unanimously support the elections and recommend that shareholders approve Resolutions 3.1 for the re-election of Mr Johnston, 3.2 for the re-election of Mr Plummer and 3.3 for the election of Ms Last as Directors of the Company. The Chairman of the Meeting will be casting undirected proxies in favour of these Resolutions.**

#### Item 4: Allocation of Rights to Martin Smith under the Employee Share Plan

Approval is sought to grant Martin Smith, CEO and Executive Director, up to 500,000 Performance Rights pursuant to Listing Rule 10.14 and in accordance with the Company's Employee Share Plan. Each Performance Right entitles the holder to be issued one (1) Share at no cost based on certain vesting conditions explained below.

The purpose of the grant of Performance Rights is to incentivise the CEO under a Long Term Incentive (LTI) to achieve the following performance conditions for the performance year ending 30 September 2020:

- Achievement of Group and subsidiary forecast revenue and earnings targets for the FY20 financial year
- Achievement of Group customer satisfaction and retention levels
- Successful implementation of programs that support the Group's growth strategy including acquisitions
- Successful management of Group risk and compliance
- Achievement of employee engagement metrics

In summary,

- (i) The maximum number of Performance Rights proposed to be granted to Martin Smith is 500,000.
- (ii) The Performance Rights are expected to be granted on or around 1 October 2019 and no later than 3 years from the date of approval.
- (iii) The general terms and conditions of the Performance Rights are set out in the Employee Share Plan.

The Performance Rights have the following key terms:

Tranche	Maximum number of Performance Rights	Vesting date	Issue price
1	166,666	1 October 2020	Nil consideration
2	166,666	1 October 2021	Nil consideration
3	166,667	1 October 2022	Nil consideration

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

There are no loans in relation to the acquisition of securities under the Employee Share Plan.

The details of any securities issued under the Employee Share Plan will be published in each annual report of the Company relating to the period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

The following shares were issued to directors under the Employee Share Plan since the last approval:

<b>Name</b>	<b>Number of shares</b>	<b>Consideration</b>
Martin Smith	386,666	Nil
Byram Johnston	197,000	Nil

Martin Smith and Byram Johnston are the only directors eligible to participate in the Employee Share Plan. Mr Johnston was an executive director until 1 October 2018 when he became a non-executive director. He remains eligible to receive unvested tranches relating to previous performance years when he was an executive director, subject to shareholder approval and vesting conditions.

Any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the Employee Share Plan after the resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

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

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

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



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**

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 and entitled to attend and vote appoint:

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman’s nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting of the Company to be held at 9 am (Sydney time) on Monday 30 September 2019 at Karstens Conference Centre, Level 1, 111 Harrington Street, Sydney and any adjournment of that meeting.

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

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

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

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



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 From outside Australia: +61 2 8259 8885  
 Facsimile: +61 2 9251 3525  
 Email mai@mainstreamgroup.com

**B VOTING DIRECTIONS**

Items of Business	For	Against	Abstain
2 To adopt the Remuneration Report			
3.1 To re-elect Byram Johnston			
3.2 To re-elect John Plummer			
3.3 To elect Debbie Last			
4 Allocation of Rights to Martin Smith under the Employee Share Plan			

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

Shareholder 1 (*Individual*)

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

Joint Shareholder 2 (*Individual*)

Director/Company Secretary (*delete one*)

Date

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

## INSTRUCTIONS FOR COMPLETING APPOINTMENT OF PROXY OR REPRESENTATIVE

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on their behalf. The appointment of proxy may specify the proportion or number of votes the proxy may exercise.
2. A member holding a number of shares giving a right to vote may appoint 2 proxies provided the appointment specifies the proportion or number of the member's votes each proxy may exercise.
3. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
4. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
5. Corporate Shareholders should comply with execution requirements set out in the Proxy Form.
6. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.
7. To vote by proxy, a Proxy Form must be received by the Company in one of the following ways:
  - Online at [www.mainstreamgroup.com/ListedRegistryPortal](http://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](mailto: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 must be received by Mainstream by no later than **5pm on Friday, 27 September 2019**. If Mainstream does not receive your Proxy Form by this time, it will be invalid.