Service Stream Limited
ACN 072 369 870

Notice of annual general meeting

Notice is given that the annual general meeting of members of Service Stream Limited (**Company**) will be held at the Intercontinental Melbourne – The Rialto, 495 Collins Street, Melbourne, Victoria on Wednesday 22 October 2014 at 10.30am.

Annual financial and other reports

To receive the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2014.

Resolution 1 — Adoption of remuneration report

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

> "That the remuneration report for the year ended 30 June 2014 be adopted."

Note: The remuneration report is set out on pages 16 to 25 of the Company's 2014 annual report. The vote on this resolution is advisory only and does not bind the directors of the Company.

Resolution 2 — Re-election of Peter Dempsey

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

> "That Peter Dempsey (who retires by rotation in accordance with rule 7.1(f) of the Company's constitution and (being eligible) stands for re-election) be re-elected as a director of the Company."

Resolution 3 — Re-election of Stephe Wilks

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

> "That Stephe Wilks (who retires by rotation in accordance with rule 7.1(f) of the Company's constitution and (being eligible) stands for re-election) be re-elected as a director of the Company."

Resolution 4 — Refresh of the exemption from the 15% threshold of securities issued under the Service Stream ESOP

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

> "That the issue of securities in the Company under the Service Stream employee share ownership plan 2007 (**Service Stream ESOP**), the terms of which are summarised in the explanatory statement accompanying the notice of this meeting, be approved as an exception to rule 7.1 of the ASX Listing Rules, for the purpose of exception 9 of rule 7.2 of the ASX Listing Rules and for all other purposes."

Resolution 5 — Acquisition of securities by Leigh Mackender or his associate under the FY14 Tranche of the Company's Long Term Incentive Plan

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

> "That the acquisition by Leigh Mackender or his associate of 430,556 performance rights under the FY14 Tranche of the Company's Long Term Incentive Plan (and up to 430,556 fully paid ordinary shares in the Company underlying, and issued in accordance with the terms of, those performance rights) on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 10.14 of the ASX Listing Rules and for all other purposes."

Resolution 6 — Acquisition of securities by Leigh Mackender or his associate, under the FY15, FY16 and FY17 Tranches of the Company's Executive Share-based Incentive Plan

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

> "That the acquisition by Leigh Mackender or his associate of up to a total of 1,000,000 performance rights under each of the FY15, FY16, FY17 Tranches of the Company's Executive Share-based Incentive Plan, totalling to a maximum of 3,000,000 performance rights over a 3 year period (and up to 3,000,000 fully paid ordinary shares in the Company underlying, and issued in accordance with the terms of, those performance rights) on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 10.14 of the ASX Listing Rules and for all other purposes."

By order of the board

Vicki Letcher
Company Secretary

Date: 19 September 2014

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or, if the member is entitled to cast two or more votes at the meeting, two proxies to attend and vote on behalf and instead of the member.

2. Where two proxies are appointed, the proxies may vote only if each proxy is appointed to represent a specified proportion of the member's voting rights.

3. A proxy need not be a member.

4. A proxy form accompanies this notice. To be valid, the proxy form together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority, must be:

   (a) received by the Company's share registrar, Computershare Investor Services Pty Limited by:

      (1) hand delivery to "Yarra Falls", 452 Johnston Street, Abbotsford, Victoria 3067;

      (2) post to GPO Box 242, Melbourne, Victoria, 8060; or

      (3) facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

      before 10.30am (Melbourne time) on Monday 20 October 2014; or

   (b) received by the Company (addressed to the attention of Ms Vicki Letcher, Company Secretary):

      (1) at its office at Level 4, 357 Collins Street, Melbourne, Victoria, 3000; or

      (2) by facsimile on 03 9677 8877;

      before 10.30am (Melbourne time) on Monday 20 October 2014.

5. A proxy may also be appointed electronically by:

   (a) visiting www.investorvote.com.au and following the instructions provided;

   (b) scanning the QR code with your mobile device; or

   (c) visiting www.intermediaryonline.com to submit your voting intentions (for Intermediary Online subscribers (custodians) only);

   before 10.30am (Melbourne time) on Monday 20 October 2014. A proxy cannot be appointed online if they are appointed under power of attorney or similar authority.

6. The Company has determined that those persons who are registered as the holders of shares in the Company at 7.00pm (Melbourne time) on Monday 20 October 2014 will be taken to be the holders of shares for the purposes of determining voting entitlements at this meeting.

Voting exclusion statement

The Company will disregard any votes cast on:

1. Resolution 1 (adoption of remuneration report) by or on behalf of a member of the key management personnel for the Company (details of whose remuneration are included in the remuneration report, including each director) (**KMP Member**), or a closely related party of a KMP Member.

However, the Company need not disregard a vote in relation to resolution 1 if:

(a) 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

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides (and the appointment expressly authorises the chair to vote in accordance with a direction on the proxy form to vote as the proxy decides).

2. Resolutions 4 (Refresh of the exemption from the 15% threshold of securities under the Service Stream ESOP), 5 (Acquisition of securities by Leigh Mackender or his associate under the FY14 Tranche of the Company's Long Term Incentive Plan), 6 (Acquisition of securities by Leigh Mackender or his associate, under the FY15, FY16 and FY17 Tranches of the Company's Executive Share-based Incentive Plan), by a KMP Member or a closely related party of a KMP Member on the basis of their appointment as a proxy, if the appointment does not specify the way the proxy is to vote on the resolution; and

3. Resolutions 4, 5 and 6 by any director of the Company or their associate, unless they are cast by that person as a proxy for a person entitled to vote, in accordance with the directions on the proxy form.

However, the Company need not disregard a vote in relation to resolutions 4, 5 or 6 if:

(a) 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

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides (and the appointment expressly authorises the chair to vote in accordance with a direction on the proxy form to vote as the proxy decides).

The Chairman intends to vote undirected proxies held by him in favour of each resolution. Please refer to the proxy form accompanying this notice of meeting for more information.

Explanatory statement

1. General information

This explanatory statement is an important document and should be read carefully. It comprises part of, and should be read in conjunction with, the notice of the annual general meeting (**AGM**) of members of Service Stream Limited to be held on Wednesday 22 October 2014.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of AGM), please contact the Company, or your stockbroker or other professional adviser.

2. Resolution 1 — adoption of remuneration report

There will be an opportunity for shareholders at the meeting to comment on and ask questions about the remuneration report, which appears on pages 16 to 25 of the Company's 2014 annual report.

The vote on the proposed resolution adopting the remuneration report is advisory only and will not bind the Company nor its directors. However, the board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy and practices.

The Corporations Act contains a 'two strikes' rule in relation to remuneration reports. Briefly, if at two consecutive AGMs 25% or more votes were cast against the resolution that the Company's remuneration report be adopted, a 'spill resolution' must be put to the vote at that AGM. The spill resolution is that another meeting of shareholders be held within 90 days to consider the appointment of new directors in place of those directors (other than the managing director) who were directors at the time the resolution was passed to make the directors' report (including the remuneration report).

At the Company's 2013 AGM, less than 25% of votes were cast against the resolution that the remuneration report be adopted. Accordingly, there is no requirement to allow for a possible spill resolution at this year's AGM.

The directors recommend that shareholders vote in favour of resolution 1.

3. Resolution 2 — re-election of Peter Dempsey

Rule 7.1(f) of the Company's constitution states that at each AGM of the Company, one third of the directors (or, if their number is not 3 or a multiple of 3, then the number nearest one third) and any other director who has held office for 3 years or more, must retire from office. In determining the number of directors to retire under the 'one third' requirement, no account is to be taken of the managing director or of a director appointed as an addition to the existing directors and who only holds office until the next annual general meeting. A retiring director is eligible for re-election.

In accordance with these requirements, Peter Dempsey retires by rotation at this year's annual general meeting and, being eligible, stands for re-election.

Peter Dempsey was appointed Chairman of Service Stream Limited on 1 November 2010. Peter has extensive construction and development experience and has been involved in these industries for the last 40 years. In 2003 he retired from A W Baulderstone Pty Ltd after a 30 year career, the last five years as Managing Director. Baulderstone undertook some of Australia's largest building and civil infrastructure projects with annual revenues up to $1.5b during his tenure. The company was also involved in projects for the resources sector, with operations in all Australian mainland states, Papua New Guinea, Indonesia and Vietnam.

Peter is Chair of the Remuneration and Nomination Committee and is a member of the Audit and Risk Committee.

Peter is currently a Non-Executive Director of Monadelphous Limited, as well as holding other Board roles with private construction and charitable organisations. Peter was a Non-Executive Director of Becton Property Group Limited from July 2008 until resigning on 26 February 2013.

Peter has no other listed company directorships and has held no other listed company directorships in the last 3 years.

The directors (other than Mr Dempsey) recommend that shareholders vote in favour of resolution 2.

4. Resolution 3 — re-election of Stephe Wilks

Rule 7.1(f) of the Company's constitution states that at each AGM of the Company, one third of the directors (or, if their number is not 3 or a multiple of 3, then the number nearest one third) and any other director who has held office for 3 years or more, must retire from office. In determining the number of directors to retire under the 'one third' requirement, no account is to be taken of the managing director or of a director appointed as an addition to the existing directors and who only holds office until the next annual general meeting. A retiring director is eligible for re-election.

In accordance with these requirements, Stephe Wilks retires by rotation at this year's annual general meeting and, being eligible, stands for re-election.

Stephe Wilks has over 20 years' experience in the telecommunications industry both within Australia and overseas. He has held senior executive positions with BT Asia Pacific, Optus, Hong Kong Telecom, Nextgen Networks and Personal Broadband Australia. He was also a consulting director with investment bank, NM Rothschild.

Stephe is a member of the Audit and Risk Committee, the Sustainability, Safety, Health and Environment Committee and the Remuneration and Nomination Committee.

Stephe is currently Chair of Bulletproof Group Limited and a Non-Executive Director of Tel.Pacific Limited, and was previously Chairman of Mooter Media Limited and Eftel Limited, and a Non-Executive Director of People Telecom Limited and 3Q Holdings Limited. Stephe is on the advisory board of the Network Insight Group and consults to a number of companies in the media and technology industries.

Stephe has no other listed company directorships and has held no other listed company directorships in the last 3 years.

The directors (other than Mr Wilks) recommend that shareholders vote in favour of resolution 3.

5. Resolution 4 — Refresh of the exemption from the 15% threshold of securities issued under the Service Stream ESOP

In 2007, the directors of the Company established and implemented an employee share ownership plan known as the Service Stream employee share ownership plan 2007 (**Service Stream ESOP**).

In 2011, the directors of the Company established a Long Term Incentive Plan (LTIP) for qualifying senior employees to be administered under the Service Stream ESOP and subsequently issued performance rights and securities in certain instances under FY11, FY12, FY13 and FY14 Tranches.

In 2014, the directors of the Company developed an Executive Share-based Incentive Plan (ESBIP) for executives to also be administered under the Service Stream ESOP. The ESBIP is intended to replace both the STIP and LTIP for qualifying executives for financial years commencing FY15.

Rule 7.1 of the ASX Listing Rules requires the Company to obtain shareholder approval if it wishes to issue, or agrees to issue, equity securities in a 12 month period in excess of 15% of the ordinary securities in the Company on issue at the commencement of the 12 month period.

Rule 7.1 is subject to a number of exceptions which are set out in rule 7.2. One of the exceptions set out in rule 7.2 is where shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the date of issue (exception 9).

At the Company's annual general meeting held on 26 October 2011, shareholders approved the issue of securities under the Service Stream ESOP as an exception to rule 7.1, and hence the ability to issue securities under the Service Stream ESOP as an exception to rule 7.1 expires on 26 October 2014. The purpose of resolution 4 is to refresh the approval of shareholders for further issues of securities under the Service Stream ESOP as an exception to rule 7.1.

Exception 9 requires the notice of meeting to include a summary of the terms of the scheme, and information about the number of securities issued under the scheme since the date of the last approval by shareholders. The scheme, in this case, is the Service Stream ESOP and the terms of the scheme are summarised below.

The following is a summary of the objectives and terms of the Service Stream ESOP:

(a) **Objectives:** The objectives of the Service Stream ESOP are:

(1) to motivate and retain employees and directors of the Company and its subsidiaries (**Group**);

(2) to attract quality employees and directors to the Group;

(3) to create commonality of purpose between the employees and directors and the Group; and

(4) to add wealth for all shareholders of the Company through the motivation of the Group's employees and directors;

by allowing employees and directors to share the rewards of the success of the Group as holders of securities in the Company.

(b) **Participation:** Any person who is:

(1) an employee of the Group; or

(2) a director of the Company who holds a salaried employment or office in the Group;

(**Eligible Person**) is eligible to participate in the Service Stream ESOP. Participation by an eligible director would currently require separate specific shareholder approval under rule 10.14 of the ASX Listing Rules except where the participation is by way of a purchase of securities on the stock market of ASX Limited by, or on behalf of, the eligible director. Participation is by invitation of the directors only.

(c) **Acquisition of securities:** The Service Stream ESOP provides for the acquisition by, or for the benefit of, Eligible Persons of ordinary shares in the Company, options over ordinary shares and/or rights to or interests in such shares or options (**Securities**). The acquisition may be made directly by the Eligible Person (or his or her approved nominee) or the Company may arrange for a trust to be established for the benefit of Eligible Persons and for the trustee to acquire and hold the Securities on trust for the Eligible Persons.

(d) **Acquisition price:** Securities may be offered for acquisition by, or for the benefit of, an Eligible Person under the Service Stream ESOP at any price determined by the board of directors of the Company, including for nil consideration. This provides the Company with the greatest flexibility to reward Eligible Persons, including allowing the Company to provide shares to Eligible Persons for no consideration as a bonus. Payment for the acquisition of Securities may be provided by the Company through the provision of loans (see (q) and (r) below), by Eligible Persons or by a combination of both.

(e) **Restrictions:** Under the Service Stream ESOP, the directors of the Company may make the allocation or acquisition of Securities by, or on behalf of, an Eligible Person subject to satisfaction of performance, eligibility or other vesting criteria (**Vesting Criteria**) where failure to satisfy any Vesting Criteria may result in the forfeiture of the Eligible Person's entitlement, in whole or in part. The application of Vesting Criteria (if any) is at the discretion of the directors. In addition, the directors may impose restrictions on dealing in Securities which are acquired under the Service Stream ESOP.

(f) **Control of Securities:** Where an Eligible Person participates in the Service Stream ESOP and Securities are acquired by, or for the benefit of, the Eligible Person, the terms of participation may authorise the Company to do all that is necessary or appropriate for the Company to ensure the Securities are not disposed of or encumbered prior to the satisfaction of any Vesting Criteria or the cessation of any restrictions on dealing, including by applying a holding lock in respect of the Securities (if they are uncertificated) or by retaining the certificates in respect of the Securities (if they are certificated).

(g) **Nomination:** If approved by the Company, an Eligible Person may nominate an associate to take up or apply for any Securities or loan that the Eligible Person is offered, allocated or invited to apply for under the Service Stream ESOP.

(h) **No limit on issues:** There is no maximum limit on the number of Securities that may be acquired by Eligible Persons under the Service Stream ESOP.

(i) **Ranking of shares:** Unless the board of directors of the Company otherwise provides, all new fully paid ordinary shares issued to, or for the benefit of, Eligible Persons under the Service Stream ESOP will rank from the date of issue equally with the other fully paid ordinary shares in the Company then on issue.

(j) **Nature of options:** Any options acquired under the Service Stream ESOP will, when the option becomes exercisable, entitle the holder, on payment of the exercise price, to have issued to the holder 1 ordinary share in the Company.

(k) **Terms of options:** The number of any options to be issued, any consideration for the issue of options, the exercise period and the exercise price will be determined by the directors of the Company. The directors are also given the power to specify vesting conditions which must be satisfied before options can be exercised.

(l) **Ordinary shares issued on exercise of options:** The ordinary shares issued on the exercise of any options under the Service Stream ESOP will from the date of their issue rank equally with all other fully paid ordinary shares in the Company then on issue.

(m) **Variation to the number and exercise price of options:** A holder of any options issued under the Service Stream ESOP will, in accordance with the ASX Listing Rules, be entitled to have the number of options, the exercise price of the options and/or the number of shares underlying the options varied in the event of a bonus issue, rights offer or reconstruction of the share capital of the Company.

(n) **Termination of options:** Any options which are not exercised by their expiry date will terminate. Any options that are the subject of a vesting condition will also terminate if the vesting condition is not met or cannot be met. Further, the Company may impose any other termination event for any options at the time of acquisition, and also has the power to waive a termination event or vesting condition, or to postpone termination.

(o) **Amendments to the rules of the Service Stream ESOP:** The Company may amend the rules of the Service Stream ESOP, subject to any requirements of the *Corporations Act* 2001 (Cth) and subject to obtaining any approval of shareholders required under the ASX Listing Rules.

(p) **Suspension or termination of the Service Stream ESOP:** The Company may suspend the operation of the Service Stream ESOP or terminate it at any time. Suspension or termination would not prejudice the existing rights of any person who previously acquired Securities under the plan.

(q) **Provision of loans:** The Service Stream ESOP also allows the Company to provide loans to Eligible Persons to fund:

(1) the subscription for, or other acquisition of, Securities offered or allocated to, or for the benefit of, Eligible Persons; and/or

(2) the exercise of any options or other rights issued to, or for the benefit of, Eligible Persons.

(r) **Terms of loans:** The loans that may be provided to Eligible Persons to fund the acquisition of Securities or exercise of options or other rights that are Securities are to be on such terms as are determined by the directors of the Company. Further, the Service Stream ESOP specifically provides that a loan provided to an Eligible Person may be:

(1) interest free;

(2) non-recourse or limited recourse;

(3) satisfied by payment to the Company of the proceeds of the sale of the Eligible Person's Securities or by the transfer of those Securities to the Company or its nominee; and

(4) secured (including by the Company taking security over the shares in the Company acquired by the Eligible Person under the Service Stream ESOP) or unsecured.

Further, where a loan is provided to fund the acquisition of Securities, subject to the terms of the relevant loan agreement, the Securities may not, without the prior written consent of the Company, be sold, transferred, mortgaged, charged or otherwise disposed of or encumbered prior to repayment of the loan.

A copy of the Service Stream ESOP may be inspected at the Company's office at Level 4, 357 Collins Street, Melbourne, Victoria, 3000. Please contact the company secretary, Vicki Letcher, on 03 9677 8806 if you have any questions or wish to make arrangements to inspect the plan.

During the period commencing on 26 October 2011 (being the date the Service Stream ESOP was last approved by shareholders) and the date of the notice of meeting, the Company has:

(a) issued 1,024,703 shares to senior employees in respect of performance rights that vested under the FY11 LTIP Tranche (this amount includes 313,480 shares issued to Robert (Bob) Grant at 21.5c under the FY11 LTIP Tranche which was approved by shareholders at the 2012 Annual General Meeting);

(b) issued 7,630,544 performance rights to senior employees under the FY12, FY13 and FY14 LTIP Tranches (that remain subject to vesting); and

(c) agreed to issue up to 4,800,000 performance rights to executives (in addition to those proposed to be issued to Leigh Mackender) under the FY15 ESBIP Tranche

under the Service Stream ESOP.

The directors (other than Leigh Mackender) recommend that shareholders vote in favour of resolution 4. As Mr Mackender is eligible to participate in incentive arrangements that are administered under the Service Stream ESOP and, subject to obtaining any necessary shareholder approval, will do so, he does not consider it appropriate for him to make a recommendation in relation to resolution 4.

6. Resolution 5— Acquisition of securities by Leigh Mackender or his associate under the FY14 Tranche of the Company's Long Term Incentive Plan

The directors of the Company are entitled from time to time to invite Eligible Persons to acquire Securities on such terms as the directors may determine in accordance with the Service Stream ESOP. For the financial year ended 30 June 2014, the directors determined to make available a tranche of performance rights (**FY14 LTIP Tranche**) to senior executives of the Company including Leigh Mackender as a long term incentive. The directors have determined to make 430,556 performance rights available to Leigh Mackender under the FY14 LTIP Tranche subject to shareholder approval.

Rule 10.14 of the ASX Listing Rules relevantly states than an entity must not permit a director to acquire securities under an employee incentive scheme without the approval of holders of ordinary shares. Subject to shareholder approval, it is proposed that Leigh Mackender or his associate, will acquire 430,556 performance rights under the terms of the FY14 LTIP Tranche (and subsequently shares underlying those performance rights to the extent that they satisfy the relevant vesting criteria).

The terms of the FY14 LTIP Tranche, including those that will be applicable to Leigh Mackender, are summarised as follows:

(a) Each participating senior executive (or their nominated associate) may acquire performance rights for nil consideration. The number of performance rights offered to an executive is calculated by reference to the executive's fixed annual remuneration, a long term incentive participation rate (25% of fixed annual remuneration for Leigh Mackender) and an issue price of 18c per share.

(b) Each performance right entitles the holder to be issued one ordinary share in the Company for nil consideration provided they remain an employee of the Company on 30 June 2016 and provided that that certain other vesting conditions have been satisfied, including those described below.

(i) 50% of the performance rights granted will each vest where the following vesting conditions are met:

A. the Company's Earnings Per Share (**EPS**) for the financial years ending 30 June 2014, 30 June 2015 and 30 June 2016 (**Performance Period**) meets targets of 2.81, 3.09 and 3.40 cents per share respectively or an average of 3.10 cents per share over the three year period **(EPS Targets);**

B. the Company's Total Shareholder Return (**TSR**) over the Performance Period is such that it would rank in the top quartile of a relevant peer group of companies to be determined by the Board;

The performance rights are subject to proportional vesting according to the tables below where the vesting conditions specified above are not fully met;

Earnings Per Share (50% weighting)

Percentage of performance rights that vest	**EPS Target**
0%	Below 75%
40%	At 75%
Proportional vesting	Greater than 75% and less than 100%
100%	100% and above

Relative Total Shareholder Return (50% weighting)

Percentage of performance rights that vest	TSR ranking
0%	Below the 50th percentile
50%	At the 50th percentile
Proportional vesting	Above the 50th percentile but below the 75th percentile
100%	75th percentile or above (top quartile)

The performance rights vest in accordance with the greater of:

A. the sum of vesting arising from each of the three financial years that comprises the Performance Period (with a 1/3rd weighting per year) to the extent that the Company's EPS and Relative TSR performance meets the targets in the tables above for each year individually; and

B. the vesting arising from the extent to which the Company's average annual EPS and Relative TSR performance meets the targets in the tables above over the entire Performance Period.

(c) The number of shares which an executive (or his or her associate) is entitled to acquire is based on the Company's total shareholder return relative to a relevant peer group of companies (in relation to 50% of the performance rights granted), and the Company's earnings per share (in relation to the other 50% of the performance rights granted), in respect of the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 (**Performance Period**).

(d) Performance rights vest when the Company determines that the vesting conditions have been met. The shares underlying the performance rights must be issued within 14 days of the later of that date and the date on which the Company releases its results for the financial year ended 30 June 2016.

(e) The executive (or his or her associate) will not have any rights in respect of shares in the Company underlying any performance rights acquired under the FY14 LTIP Tranche (such as dividend and voting rights) unless and until the shares are issued.

(f) Subject to some exceptions (such as those described below), performance rights will be forfeited if the executive resigns from employment with the Company or a subsidiary, commits an act of fraud in relation to the affairs of the Company or a subsidiary, or is dismissed from employment or office with the Company or a subsidiary as a result of serious misconduct, material breach, gross negligence or any conduct that provides grounds for termination without notice.

(g) If an executive resigns from the Company or a subsidiary, the directors have discretion to issue shares to that executive (or his or her associate) in respect of financial years during the Performance Period which ended before the executive's employment ceased where the directors determine that the executive performed consistently at an outstanding level.

(h) Further, if an executive ceases employment with the Company or a subsidiary because of his or her death or permanent disability, or because the executive is aged 55 or older and retires from permanent employment, or because the executive's contract of employment is terminated due to genuine redundancy, the performance rights relating to the financial years during the Performance Period which ended before the executive's employment ceased that have not vested will not be forfeited.

(i) If the grant of performance rights to, and acquisition of shares by Mr Mackender or his associate, is not approved by shareholders, Mr Mackender will be entitled to a cash payment equal to the market value of the shares that would have been issued to him (or his associate) had shareholder approval been obtained.

Rule 10.14 also states that the notice of meeting to obtain shareholder approval must comply with either rule 10.15 or 10.15A of the ASX Listing Rules. The Company has elected to prepare the notice of meeting so that it complies with rule 10.15A, and provides the following information for that purpose:

(a) The maximum number of performance rights which may be granted to Mr Mackender or his associate, under the FY14 LTIP Tranche is 430,556 performance rights. Assuming Mr Mackender is entitled to be issued all of the shares underlying those performance rights, he would be issued 430,556 ordinary shares.

(b) No consideration is payable by Mr Mackender or his associate, for any performance rights granted to him (or ordinary shares underlying those performance rights issued to him) under the FY14 LTIP Tranche.

(c) No performance rights have been granted, and no ordinary shares underlying those performance rights have been issued, to Mr Mackender or his associates, under the FY14 Tranche.

(d) Mr Mackender or his associates are the only directors, associates of directors or other persons referred to in rule 10.14 who may be granted performance rights under the FY14 LTIP Tranche (or issued shares underlying those performance rights). As at the date of the notice of meeting, no securities have been issued under the FY14 LTIP Tranche to any director or other person referred to in rule 10.14.

(e) No loan been given by the Company in relation to the grant of performance rights or acquisition of shares.

(f) Each annual report of the Company relating to a period in which performance rights or shares have been granted to, or acquired by, a director, an associate of a director or other person referred to in rule 10.14 will include:

   (1) details of any such grant or acquisition; and

   (2) a statement that approval for the issue of those securities to those persons was obtained under rule 10.14 of the ASX Listing Rules.

(g) Any additional persons referred to in rule 10.14 who become entitled to participate in the FY14 LTIP Tranche after resolution 5 has been passed and who were not named in the notice of this meeting will not participate in the FY14 LTIP Tranche until approval is obtained under rule 10.14 of the ASX Listing Rules.

(h) Assuming resolution 5 is passed, the performance rights will be granted immediately after the resolution is passed and in any case the securities will be issued no later than 3 years after the meeting. Any underlying shares which Mr Mackender or his associate, is entitled to acquire will be issued within 14 days of the later of the date that the Company determines that the vesting conditions have been met and the date on which the Company releases its results for the financial year ended 30 June 2016, which date will on or before 30 August 2016.

The directors (other than Mr Mackender) recommend that shareholders vote in favour of resolutions 5.

7. Resolution 6— Acquisition of securities by Leigh Mackender or his associate, under the FY15, FY16 and FY17 Tranches of the Company's Executive Share-based Incentive Plan

The directors of the Company are entitled from time to time to invite Eligible Persons to acquire Securities on such terms as the directors may determine in accordance with the Service Stream employee share ownership plan 2007 (ESOP). To commence from the financial year ended 30 June 2015 (FY15), the directors of the Company have developed an Executive Share-based Incentive Plan (ESBIP) to apply to eligible members of the executive management team in lieu of previous Short Term Incentive and Long Term Incentive arrangements. The ESBIP, which operates and is administered under the Service Stream ESOP, is intended to ensure that the relevant participants are rewarded over the medium term in broadly the same manner as the Company's shareholders and will realise value based on the performance of the Company.

The directors of the Company have determined the appropriate number of performance rights to be issues to Leigh Mackender for each financial year of the next three year period (FY15-FY17) and is requesting shareholder approval for the issuance of these performance rights under the terms of the ESBIP.

The terms of the FY15, FY16 and FY17 ESBIP Tranches are summarised as follows:

(a) Each participating senior executive (or their nominated associate) may acquire performance rights for nil consideration at the commencement of each relevant financial year. The number of performance rights offered to an executive is determined by the Board. The maximum number of performance rights that Mr Mackender or his associate may be granted in respect of the FY15, FY16 and FY17 ESBIP Tranches is as follows:

Tranche	**No. of Performance Rights**
FY15	**1,000,000**
FY16	**1,000,000**
FY17	**1,000,000**

(b) Each performance right entitles the holder to be issued one ordinary share in the Company for nil consideration provided that certain vesting conditions have been satisfied, including those described below.

(c) The number of shares which an executive (or his or her associate) is entitled to be awarded is determined by achievement of growth in the Company's earnings per share (**EPS**) of at least 10% relative to the prior year's reported EPS. Any performance rights for which the EPS target has not been achieved may subsequently vest should EPS growth over subsequent years (to a maximum aggregate period of three years) meet an average of 10% per annum. Performance rights for which the relevant period's EPS target has not and cannot subsequently be achieved are forfeited.

(d) Performance rights held by an executive will vest at the conclusion of each financial year to the extent the vesting conditions have been satisfied, and the relevant number of shares will be awarded to the executive within 30 days of lodgement of the Company's annual accounts with the ASX. To be eligible for the award of any shares under the ESBIP, the executive must be employed by the Company or a subsidiary at the date on which the relevant shares are to be delivered.

(e) The executive will not have any rights in respect of shares underlying any performance rights acquired under the FY15, FY16 and FY17 ESBIP Tranches (such as dividend and voting rights) unless and until the shares are delivered.

(f) If the grant of performance rights to Mr Mackender or his associate is not approved by shareholders, the Company will discuss with Mr Mackender in good faith with the intention of agreeing an appropriate alternative incentive arrangement aligned with the interests of shareholders and which provides an appropriate reward for the executive.

Rule 10.14 also states that the notice of meeting to obtain shareholder approval must comply with either rule 10.15 or 10.15A of the ASX Listing Rules. The Company has elected to prepare the notice of meeting so that it complies with rule 10.15A, and provides the following information for that purpose:

(a) The maximum number of performance rights which may be granted to Mr Mackender or his associate, under the FY15, FY16 and FY17 ESBIP Tranches is 1,000,000 performance rights per year (3,000,000 in total). Assuming Mr Mackender is entitled to be issued all of the shares underlying those performance rights, he would be issued 3,000,000 ordinary shares in total.

(b) No consideration is payable by Mr Mackender or his associate for any performance rights granted to him (or ordinary shares underlying those performance rights issued to him) under the FY15, FY16 and FY17 ESBIP Tranches.

(c) No performance rights have been granted, and no ordinary shares underlying those performance rights have been issued, to Mr Mackender or his associates under the FY15, FY16 and FY17 ESBIP Tranches.

(d) Mr Mackender or his associates are the only directors, associates of directors or other persons referred to in rule 10.14 who may be granted performance rights under the FY15, FY16 and FY17 ESBIP Tranches (or issued shares underlying those performance rights). As at the date of the notice of meeting, no securities have been issued under the ESBIP to any director or other person referred to in rule 10.14.

(e) No loan been given by the Company in relation to the grant of performance rights or acquisition of shares.

(f) Each annual report of the Company relating to a period in which performance rights or shares have been granted to, or acquired by, a director, an associate of a director or other person referred to in rule 10.14 will include:

  (1) details of any such grant or acquisition; and

  (2) a statement that approval for the issue of those securities to those persons was obtained under rule 10.14 of the ASX Listing Rules.

(g) Any additional persons referred to in rule 10.14 who become entitled to participate in the FY15, FY16 and FY17 ESBIP Tranches after resolution 6 has been passed and who were not named in the notice of this meeting will not participate in the FY15, FY16 and FY17 ESBIP Tranches until approval is obtained under rule 10.14 of the ASX Listing Rules.

(h) Assuming resolution 6 is passed, the performance rights will be granted immediately after the resolution is passed and in any case the securities will be issued no later than 3 years after the meeting.

The directors (other than Mr Mackender) recommend that shareholders vote in favour of resolution 6.

servicestream
ESSENTIAL NETWORK SERVICES
ABN 46 072 369 870

000001 000 SSM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

Vote and view the annual report online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.30am Melbourne time, Monday 20 October 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate “Certificate of Appointment of Corporate Representative” prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Service Stream Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ______________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Service Stream Limited to be held at the Intercontinental Melbourne - The Rialto, 495 Collins Street, Melbourne on Wednesday, 22 October 2014 at 10.30am Melbourne time and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though Items 1, 4, 5 & 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 Items 1, 2, 3, 4, 5 & 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 1	Adoption of remuneration report	☐	☐	☐
Item 2	Re-election of Peter Dempsey	☐	☐	☐
Item 3	Re-election of Stephe Wilks	☐	☐	☐
Item 4	Refresh of the exemption from the 15% threshold of securities issued under the Service Stream ESOP	☐	☐	☐
Item 5	Acquisition of securities by Leigh Mackender or his associate under the FY14 Tranche of the Company's Long Term Incentive Plan	☐	☐	☐
Item 6	Acquisition of securities by Leigh Mackender or his associate, under the FY15, FY16 and FY17 Tranches of the Company's Executive Share-based Incentive Plan	☐	☐	☐

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ______________ **Contact Daytime Telephone** ______________ **Date** ___ / ___ / ___