

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 24 October 2012 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 2012.

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 2012 be adopted.”

Note: The remuneration report is set out on pages 31 to 36 of the Company's 2012 annual report. The vote on this resolution is advisory only and does not bind the directors of the Company.

Resolution 2 — Re-election of Brett Gallagher

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

“That Brett Gallagher (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 — Acquisition of securities by Graeme Sumner or his associate, under the 2013 financial year tranche of the Service Stream ESOP

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

“That the acquisition by Graeme Sumner or his associate of 1,125,251 performance rights under the 2013 financial year tranche of the Service Stream employee share ownership plan (**Service Stream ESOP**) (and up to 1,125,251 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 4 — Acquisition of securities by Bob Grant or his associate, under the 2013 financial year tranche of the Service Stream ESOP

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

“That the acquisition by Bob Grant or his associate of 522,508 performance rights under the 2013 financial year tranche of the Service Stream employee share ownership plan (**Service Stream ESOP**) (and up to 522,508 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 5 — Appointment of PricewaterhouseCoopers as auditor of the Company

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

“That the firm PricewaterhouseCoopers be appointed as auditor of the Company under section 327B of the Corporations Act.”

By order of the board



Jessica Lyons
Company Secretary

Date: 11 September 2012

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, 3001; or
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- (3) facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
before 10.30am (Melbourne time) on Monday 22 October 2012; or
 - (b) received by the Company (addressed to the attention of Ms Jessica Lyons, General Counsel and Company Secretary):
 - (1) at its office at Level 1, 355 Spencer Street, West Melbourne, Victoria, 3003; or
 - (2) by facsimile on 03 9677 8877;
before 10.30am (Melbourne time) on Monday 22 October 2012.
- 5. A proxy may also be appointed electronically by:
 - (a) visiting www.investorvote.com.au and following the instructions provided; or
 - (b) visiting www.intermediaryonline.com to submit your voting intentions (for Intermediary Online subscribers (custodians) only);
before 10.30am (Melbourne time) on Monday 22 October 2012. 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 22 October 2012 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; and
- 2. Resolution 3 (Acquisition of securities by Graeme Sumner or his associate, under the 2013 financial year tranche of the Service Stream ESOP) or resolution 4 (Acquisition of securities by Bob Grant or his associate, under the 2013 financial year tranche of the Service Stream ESOP) by:
 - (a) a director of the Company or an associate of a director; or
 - (b) a person appointed as a proxy if the person is either a KMP Member, or a closely related party of a KMP Member, and the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote in relation to resolution 1, 3 or 4 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 24 October 2012.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of annual general meeting), 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 31 to 36 of the Company's 2012 annual report.

The vote on the proposed resolution adopting the remuneration report is advisory only and will not bind the Company or 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 2011 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 Brett Gallagher

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, Brett Gallagher retires by rotation at this year's annual general meeting and, being eligible, stands for re-election.

Mr Gallagher has over 20 years' experience across the utility and facilities management industries and joined the Company as a non-executive director when AMRS (Aust) Pty Ltd was acquired by Service Stream Limited in February 2008. Prior to the acquisition Mr Gallagher was the Managing Director and a major shareholder of AMRS (Aust) Pty Ltd from 2003 until 2008. Mr Gallagher was instrumental in the growth of AMRS, establishing it as Australia's largest metering services provider. He also led the negotiations and ultimate integration of AMRS into Service Stream where it has continued to grow strongly in difficult economic times.

Mr Gallagher is Chair of the Environment and Safety Committee and is a member of the Audit and Risk Management Committee and is a fellow of the Institute of Company Directors.

Mr Gallagher also holds directorships and interests in a number of private businesses that operate predominately in the utilities sector. Mr Gallagher has no other listed company directorships, and has held no other listed company directorships in the last 3 years.

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

4. Resolution 3 and Resolution 4 — Acquisition of securities by Graeme Sumner or his associate and by Bob Grant or his associate, under the 2013 financial year tranche of the Service Stream ESOP

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 ending 30 June 2013, the directors of the Company have determined to make available another tranche of performance rights (**FY13 Tranche**) on broadly the same terms as the FY11 and FY12 Tranches. Service Stream must not permit a director to acquire securities under the Service Stream ESOP without the approval of holders of ordinary shares. Subject to shareholder approval, it is proposed that Graeme Sumner and Bob Grant, or their associates, will acquire performance rights under the terms of the FY13 Tranche.

The terms of the FY13 Tranche 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 and the volume weighted average price of the Company's fully paid ordinary shares on ASX during the 10 business days following 15 August 2012, which was the date the Company released its financial results for the 2012 financial year (being 42.4 cents per share).
 - (b) Each performance right entitles the holder to be issued one ordinary share in the Company for nil consideration provided that certain conditions have been satisfied, including those described below.
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- (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 growth in 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 2013, 30 June 2014 and 30 June 2015 (**Performance Period**).
- (d) In relation to earnings per share, there will be proportional vesting of performance rights if the Company's earnings per share achieves annual growth, from an initial base of 6.604 cents per share, based on the following table:

Of the 50% of the performance rights allocated to growth in earnings per share, the following percentage will vest ...	if the Company achieves the following growth in earnings per share ...
0%	Less than 7.5%
40%	7.5%
Proportional vesting	Greater than 7.5% but less than 10.0%
100%	10.0% and above

The actual number of performance rights which vest (i.e. the number of shares which the holder will be entitled to acquire) is the greater of:

- (1) the percentage of performance rights that vest arising from the extent to which the Company's growth in earnings per share in each financial year of the Performance Period meets a target in the above table (where each financial year has a weighting of 1/3); and
 - (2) the percentage of performance rights that vest arising from the extent to which the Company's average annual growth in earnings per share over all years comprising the Performance Period meets a target in the above table.
- (e) In relation to relative total shareholder return, there will be proportional vesting of performance rights if the Company's total shareholder return over the Performance Period compared to a relevant peer group of companies (those companies comprising the ASX200 industrials index) is such that it would rank based on the following table:

Of the 50% of the performance rights allocated to total shareholder return, the following percentage will vest ...	if the Company's total shareholder return ranks as follows ...
0%	Below the 50 th percentile
50%	At the 50 th percentile
Proportional vesting	Above the 50 th percentile but below the 75 th percentile
100%	At the 75 th percentile or above

The actual number of performance rights which vest (i.e. the number of shares which the holder will be entitled to acquire) is the greater of:

- (1) the percentage of performance rights that vest arising from the extent to which the Company's total shareholder return in each financial year of the Performance Period is ranked as set out in the above table (where each financial year has a weighting of 1/3); and
 - (2) the percentage of performance rights that vest arising from the extent to which the Company's total shareholder return over all years comprising the Performance Period ranks as set out in the above table over the entire Performance Period.
- (f) 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 2015.
- (g) 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 FY13 Tranche (such as dividend and voting rights) unless and until the shares are issued.
- (h) 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.
- (i) If an executive resigns from the Company or a subsidiary, the directors have a 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.
- (j) 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.

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 Sumner and Mr Grant or their associates under the FY13 Tranche is 1,125,251 and 522,508 performance rights respectively. Assuming they are entitled to be issued all of the shares underlying those performance rights, they would be issued 1,125,251 and 522,508 ordinary shares respectively.
 - (b) No consideration is payable by Mr Sumner, Mr Grant or any of their associates for any performance rights granted to them (or ordinary shares underlying those performance rights issued to them) under the FY13 Tranche.
 - (c) No performance rights have been granted, and no ordinary shares underlying those performance rights have been issued, to Mr Sumner, Mr Grant or their associates under the FY13 Tranche.
 - (d) Mr Sumner, Mr Grant and their 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 FY13 Tranche (or issued shares underlying those performance rights). As at the date of the notice of meeting, no securities have been issued under the Service Stream ESOP 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 FY13 Tranche after resolutions 3 or 4 have been passed and who were not named in the notice of this meeting will not participate in the FY13 Tranche until approval is obtained under rule 10.14 of the ASX Listing Rules.
 - (h) Assuming each resolution is passed, the performance rights will be granted to the relevant director immediately after the applicable resolution is passed. Any underlying shares which Mr Sumner or his associate, or Mr Grant or his associate, are 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 2015, which date will be before 28 October 2015.
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The directors (other than Mr Sumner in relation to resolution 3 and Mr Grant in relation to resolution 4) recommend that shareholders vote in favour of resolutions 3 and 4.

5. Resolution 5 — Appointment of PricewaterhouseCoopers as auditor of the Company

Following a recent tender process, the directors have selected PricewaterhouseCoopers as the proposed new auditor of the Company. In accordance with the requirements of the Corporations Act, a member of the Company, Mr Glenn Johnson, has given the Company a written notice nominating PricewaterhouseCoopers for appointment as auditor, and PricewaterhouseCoopers has given the Company a written notice consenting to act as auditor. A copy of the notice of nomination is set out on page 7 of this explanatory statement.

Deloitte Touche Tohmatsu (**Deloitte**), were appointed as auditors for the Company in November 2006. Prior to this, they had been auditors for Service Stream Holdings Pty Ltd since 1 July 1992. Deloitte has given to the Company a notice of resignation as auditor to take effect at this AGM and ASIC has consented to Deloitte's resignation in accordance with section 329(5) of the Corporations Act. The Company records its appreciation for the services provided by Deloitte.

Section 327B of the Corporations Act states that a public company must appoint an auditor of the company to fill any vacancy in the office of auditor at an AGM. Accordingly, the purpose of resolution 5 is to appoint PricewaterhouseCoopers as auditor of the Company to fill the vacancy resulting from the resignation of Deloitte.

PricewaterhouseCoopers is one of Australia's leading professional services firms, bringing the power of their global network of firms to help Australian businesses, not-for-profit organisations and governments assess their performance and improve the way they work. Since the worldwide merger of Price Waterhouse and Coopers & Lybrand in 1998, PwC Australia now employs more than 6,000 people.

The directors recommend that shareholders vote in favour of resolution 5.

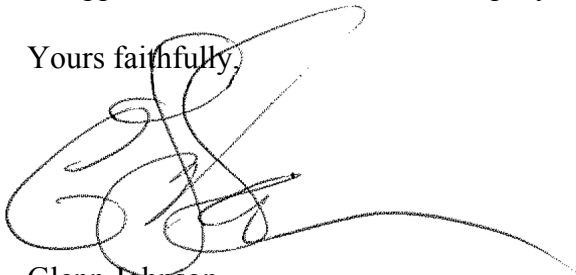
22 August 2012
Ms Jessica Lyons
Company Secretary
Service Stream Limited
Level 1, 355 Spencer Street
WEST MELBOURNE VIC 3003

Subject: Nomination of Auditor

Dear Jessica,

In accordance with the provisions of section 328B of the Corporations Act 2001, I Glenn Johnson, being a member of Service Stream Limited, hereby nominate PricewaterhouseCoopers for appointment as auditor of the company.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'G. Johnson', with a long horizontal flourish extending to the right.

Glenn Johnson
Member

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

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(outside Australia) +61 3 9415 4000

000001 000 SSM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

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, 22 October 2012

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 as they choose. 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 information tab, "Downloadable 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

I ND

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, 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, 24 October 2012 at 10.30am (Melbourne time) and at any adjournment of that meeting.

IMPORTANT NOTE:

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the Chairman to exercise your proxy on Items 1, 3 and 4 even though Items 1, 3, and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 2, 3, 4 and 5 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Brett Gallagher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Acquisition of securities by Graeme Sumner or his associate, under the 2013 financial year tranche of the Service Stream ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Acquisition of securities by Bob Grant or his associate, under the 2013 financial year tranche of the Service Stream ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Appointment of PricewaterhouseCoopers as auditor of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

SSM

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Computershare +